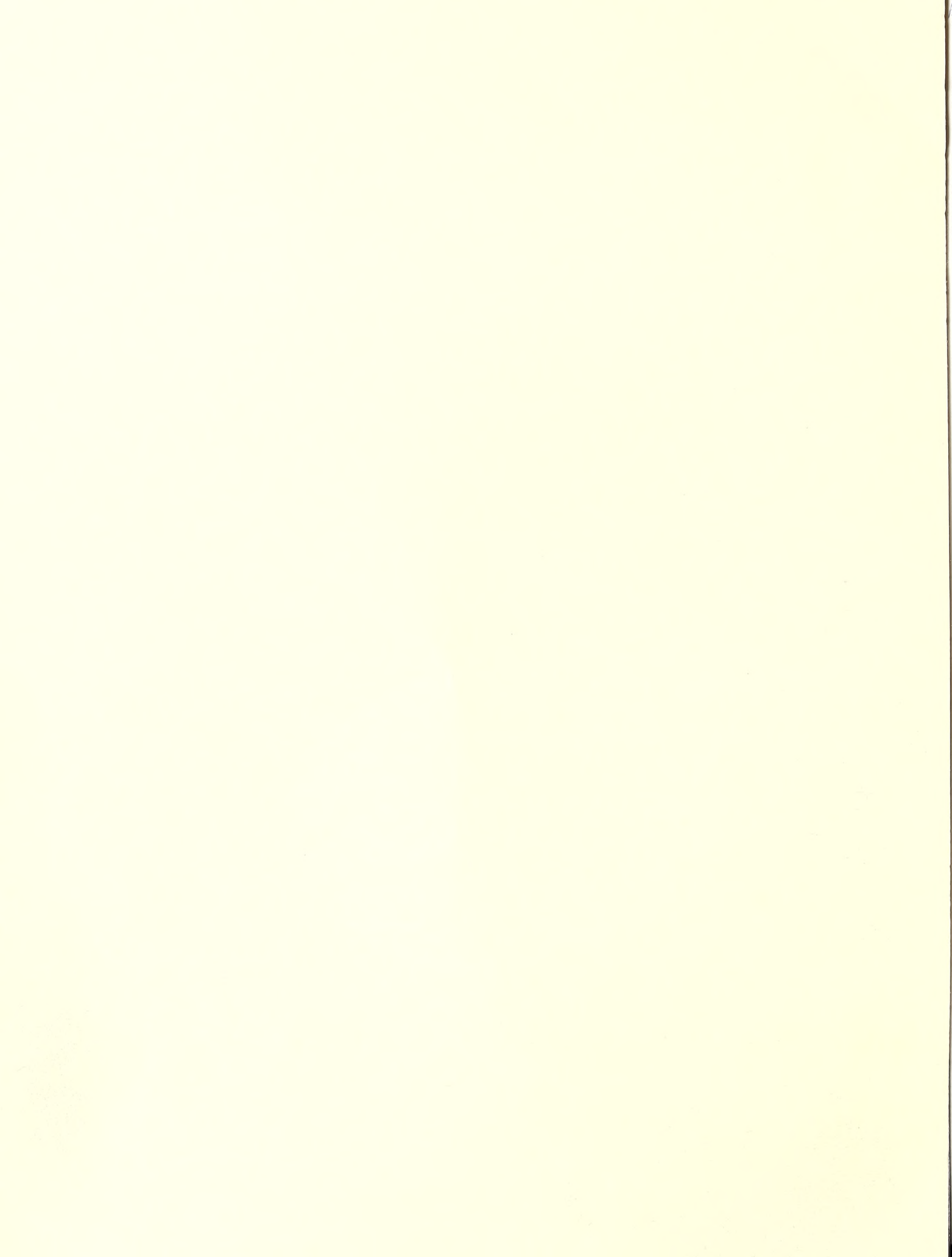


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Farm Broadcasters Letter



Letter No. 2242

December 19, 1985

NO REFUNDS
FOR 1980
EMBARGO

There is no basis for claims against the U.S. Department of Agriculture for losses on grain allegedly resulting from the 1980 grain embargo to the Soviet. According to Everett Rank, Admin. of the USDA's Agricultural Stabilization and Conservation Service, hundreds of farmers were misled into filing claims for losses on grain allegedly resulting from the 1980 grain embargo to the Soviet Union. The USDA's General Counsel takes the position that there is no basis for these claims since Public Law 96-494, the statute being used to substantiate the claims, only authorizes the purchases of agricultural commodities, other than grains, that were under contract for export to the USSR before the embargo took effect, but could not be exported because of the embargo. All claims received by USDA have been denied.

FY 1986 -
CONTINUED DECLINE

Farm prices will continue to decline in fiscal 1986 due to bumper grain and soybean crops worldwide, according to the U.S. Department of Agriculture. Increased production among several major importers will reduce export demand prospects, although continued U.S. economic growth and higher livestock prices may lead to greater domestic feed use.

1985 CORN
CROP EST.

The 1985 corn crop estimate rose another percentage point in November to a record 8.7 billion bushels, 14 pct. above last year and 6 pct. more than the 1982 record, according to the U.S. Department of Agriculture. This season's record yield of 116.6 bushels per acre is 30 pct. larger than the average yields of the seventies, but the total supply of 10.1 billion bushels is still more than 300 million below the 1982/83 marketing year. In the fall of 1986, the corn supply alone may tie up half the Nation's estimated 20 billion bushels of grain storage capacity.

U.S. FARM
EXPORTS DOWN
FOR FY 1985

U.S. agricultural export values dropped 17 pct. to \$31.2 billion in fiscal 1985, according to the U.S. Department of Agriculture. U.S. agricultural exports were about 126 million tons, a record drop of about 17½ million tons from Oct. 1984 to Sept. 1985. This smaller share in world markets was due to rising world production, and lower prices for wheat, coarse grains and soybeans.

EXPORT
FORECAST FOR
1986

U.S. farm product exports in fiscal 1986 are forecast at \$29 billion, 7 pct. below 1985's \$31.2 billion and nearly \$15 billion below the 1981 peak, according to the U.S. Department of Agriculture. Export volume is forecast at a little over 120 million tons, down 4 pct. from 1985.

DAIRY PRICE
SUPPORT
EXTENDED

Sec'y of Agriculture John Block announced that the dairy price support provisions for milk which are now in effect will continue through Dec. 31, 1985, because of special legislation. The support price for milk is \$11.60 per hundredweight for manufacturing grade milk of 3.67 pct. butterfat. The Commodity Credit Corporation purchase prices for butter, cheese and nonfat dry milk will remain unchanged from those announced June 26, 1985.

1986 INCOME
MAY FALL TO
\$22 TO \$26
BILLION

The net farm income in 1986 is projected by the U.S. Department of Agriculture to range from \$22 to \$26 billion, compared with \$25 to \$29 billion in 1985, and \$35.5 billion in 1984. Gross income will likely fall more than production expenses. The Consumer Price Index for food is expected to climb very modestly again next year - 2 to 4 pct. - compared with an estimated 2.2 pct. increase in 1985.

FEED GRAIN
SUPPLIES

U.S. feed grains are in abundant supply with record corn, sorghum and barley crops adding to an increased carry-in of old-crop feed grains. According to the U.S. Department of Agriculture, the yield was a record 2.43 metric tons per acre on 111.5 million harvested acres. Feed grain production is estimated at 271 million metric tons of which about 82 pct. is corn. This was up 15 pct. from 1984 and nearly double the 1983 drought and PIK-reduced crop. The supply exceeds last marketing year's by about 53 million tons, and is 2 million above 1982/83.

FARM LABOR
EFFICIENT

Although farmers and hired help worked about the same number of hours in 1984 as the year before, they raised productivity and output per hour of labor by 16 pct. each, according to the U.S. Department of Agriculture. Crop farmers, who planted more acres, increased output by 25 pct.; livestock production slipped 2 pct. The increases were attributed to working under improved weather conditions and the increased use of inputs such as fertilizers.

EXAMPLES OF
FARM PERFORMANCE

The U.S. Department of Agriculture reports these examples of farm labor's efficiency during 1984: The harvested crop acreage totaled 248 million acres, an increase of 42 million acres of which 26 million were planted to feed grains, 6 million to food grains, 4 million to soybeans, and 3 million to cotton. Crop yields per acre averaged 11 pct. higher including record highs for cotton, tobacco, oats, rice, rye and peanuts. Fertilizer use increased 21 pct. to 21.9 million tons, and farmers spent \$7.28 billion on new and used equipment.

U.S. FARM
IMPORTS FY
FOR 1985

Rising U.S. agricultural imports set a fiscal year 1985 record, according to the U.S. Department of Agriculture. Imports reached \$19.7 billion, up \$820 million from 1984's level, spurred by increased demand and unfavorable weather in the U.S. Increasing consumer demand for such foods as fruit juices, fruits, and vegetables spurred imports toward the \$19.7 billion record. Winter freezes in Florida and spring frost in portions of the Northwest reduced production and increased U.S. prices of those commodities.

FROM OUR
TELEVISION
SERVICE

FLORIDA CITRUS INDUSTRY...USDA economist Neil Conklin focuses on the freezes in Florida during the last five seasons and the effect of these freezes on the Florida Citrus Industry. DeBoria Janifer interviews. (536)

WEATHER PATTERN CHANGES IN FLORIDA...USDA chief meteorologist Dr. Norton Strommen focuses on Florida's cooler temperatures and the effect this is having on the Florida citrus industry. DeBoria Janifer interviews. (537)

WIND EROSION RESEARCH...USDA research scientist Dean Armbrust talks about research work being conducted in Manhattan, Kansas, to study the effects of wind erosion damage to crops. Vic Powell interviews. (538)

CONTROLLING PESTS IN GRAIN...USDA scientist William McGaughey describes how insect pests can develop resistance to genetically engineered microbial insecticides and the role this plays in their research work to control pests in grain. Vic Powell interviews. (539)

HESSIAN FLY...USDA research scientist James Hatchett describes the damage caused by the hessian fly, and research work being conducted to control it. Vic Powell interviews. (540)



FROM OUR RADIO
SERVICE

AGRICULTURE USA #1490...(Weekly 13½ min documentary) It's called AVALANCHE and if you're a ski buff then this show is a must for you to listen to. George Holmes talks to meteorologist Knox Williams of the Colorado Avalanche Information Center as well as USDA scientist Art Jutson about the dangers of avalanches.

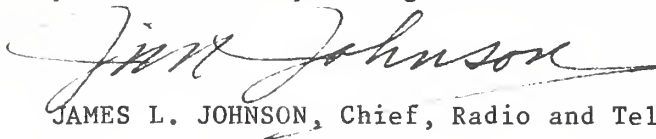
AGRITAPE/FARM PROGRAM REPORT #1479...(Weekly reel of news features) USDA news highlights; Sec'y extends loan storage program; Farm income outlook; Coarse grain trade outlook; A new soybean product.

CONSUMER TIME #972...(Weekly reel of five 2½-3 min features) Food safety and freezing; Winter is here and so are winter sports; Tips on carpet clean-up; Cutting down on sweets; Setting family goals.

USDA RADIO NEWS SERVICE...Tues, Dec. 31, Ag. prices and weekly weather and crop outlook; Mon, Jan. 6, Dairy products; Fri, Jan. 10, Crop production. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. EST each working day.

OFF MIKE

Harry Jenness (KEEZ/Hedberg Farm Net, Mankato, MN) found himself in a different roll when farmers took over the Production Credit Association offices December 17, next door to KEEZ. The farmers knew Harry from his reporting work and from meetings he attended. So, he ended up as a go-between between the farmers and the media, the Governor's office, the Attorney General's office and the Agriculture Commissioner. He also fed out many reports to other reporters ... Typographical errors "can" be fun (the opposite of which is "cannot" be fun). Our latest came in last week's letter in which we changed the name of the "Foot-in-Mouth" award to "Food-in-Mouth," which, come to think of it, makes sense. We're eternally gratefully to Jim Mills (NAFB Sales/Marketing Director, Herndon, VA) and Nelson Robinson (USDA-ASCS Radio-TV, Washington, D.C.) for pointing out the typo ... Speaking of Jim, last Saturday he and a friend went into the Virginia wilderness to create some brushy habitat for game birds. His partner decided to scout out the deer situation while Jim went back to the truck for something. Jim heard some shooting, grabbed his rifle, and started stalking. His attention was diverted when a large bird (turned out to be a turkey) flew into a nearby tree. He changed the goal of his stalking, but the bird flew out the other side of the tree. As it flew away, Jim raised his deer rifle, said, "What the heck," and fired. "Bingo," he now has a 13 pound wild turkey for the Christmas table. "Skillful" shooting, of course. Now if only he could putt ... Before we forget, we will not put out this newsletter next week, but we'll be back on schedule the following week ... And now we have FARMBO!! When Doug Thomas (Southern States Net, Baton Rouge, LA) got back from the NAFB Kansas City meeting, he found an interesting poster. His picture on a muscular Rambo-type physique, holding a pitchfork. He sent us a scaled down version of the poster, and it's enough to take your breath away! ... Reminder: If you have an electronic mailbox, let us know so we can include you in our daily message about what's on our USDA Radio Newslines.



JAMES L. JOHNSON, Chief, Radio and Television Division

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